



Dan Bucks  
Director

# Montana Department of Revenue



Brian Schweitzer  
Governor

EXHIBIT 3  
DATE 3/8/11  
HB 184

## MEMORANDUM

To: Representative Cary Smith  
From: Dan Dods, Senior Economist  
Date: February 24, 2011  
Subject: Fiscal impact of HB 184 with Proposed Amendment

From our discussion this morning, I understand that your intent in HB 184 is to allow a credit for insurance premiums and unreimbursed health care costs only to Montana residents who have individual (non-group) health insurance.

I have recalculated the credits for this limited group of taxpayers. The following table shows preliminary estimates of credits with the credit percentages as they were amended in the House Human Services Committee.

Residents with Individual Coverage Only			
Tax Year	Fiscal Year	Credit %	Revenue Change
2011	FY 2012	2.33%	-\$50,535
2012	FY 2013	4.66%	-\$740,425
2013	FY 2014	7.00%	-\$4,429,168
2014	FY 2015	7.00%	-\$4,706,496

Depending on how the amendment is worded, the credits in the fiscal note for the amended bill may be somewhat different. With fewer taxpayers taking the credit, the department's costs will probably be quite a bit lower than in the original fiscal note. The cost analysis is done by staff in the operating units. I have asked them to get back to me with a ballpark idea of costs with fewer taxpayers.

Sue O'Connell called me this morning and we discussed how to amend the bill to limit the credit to just these taxpayers. I agreed to look at the language she comes up with, and I am sure we can come up with language that does what you want.

If you have any questions, feel free to call me at 444-2668, or send me an e-mail at [ddodds@mt.gov](mailto:ddodds@mt.gov).